



ERS Information

News on agriculture, food, the environment, and rural America

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Economic Research Service

Farm Income and Costs Forecasts

www.ers.usda.gov/Briefing/FarmIncome/fore.htm

ERS' first forecasts of 2002 farm finances indicate that the sector remains relatively strong. The value of crop output will continue its 3-year pattern of growth, and livestock output value also will continue rising. Commodity prices will rise, but will remain below the 10-year average. Given existing legislation and without new emergency supplemental assistance, net farm income is forecast at \$40.6 billion in 2002, \$8.7 billion less than 2001's revised forecast of \$49.3 billion and \$5.8 billion below the 1992-2001 average of \$46.4 billion. Incomes of farm operator households are projected to be lower in 2002 as a result of lower earnings from both farm and off-farm sources. The overall financial well-being of the U.S. agricultural sector is sound, as evidenced by continuing increases in asset and equity values.

FoodReview: Global Food Trade,

Vol. 24, No. 3

www.ers.usda.gov/publications/FoodReview/septdec01/

Consumer Preferences and Concerns Shape Global Food Trade

Twenty years ago, bulk commodities accounted for most agricultural trade. In recent years, processed and semi-processed foods have jointly accounted for two-thirds of total agricultural trade. Despite trade growth in developing countries, the much larger volume of processed food trade among developed countries has primarily accounted for the shift in world agricultural trade from grains to high-value foods. Factors influencing changes in global food trade include rising per capita incomes that cause consumers to seek out high-value foods, growth in two-way trade and intra-industry trade, developments in transportation technology, and urbanization. Anita Regmi; (202) 694-5161; aregmi@ers.usda.gov

Processed Food Trade Deficit Continues in 2000

U.S. processed food imports grew 5.9 percent in 2000 to a record high of \$36.8 billion. In the same year, U.S. processed food exports grew 4.0 percent to \$30 billion. The \$6.8 billion trade deficit in 2000 marked the third consecutive year of progressively larger processed food trade deficits for the United States. In 2000, meatpacking retained its ranking as the top U.S. processed food export, growing 16.1 percent to \$6.5 billion. Japan remained the top market for U.S. processed food exports. Fresh and frozen seafood repeated as the top U.S. processed food import in 2000, growing 10.5 percent to \$7.8 billion. With a 23-percent share, Canada was the largest source of U.S. processed food imports in 2000. William Edmondson; (202) 694-5374; wedmonds@ers.usda.gov

Imports' Share of U.S. Diet Rises in Late 1990s

Food imports account for a relatively small share of the total U.S. diet, but they grew considerably in importance during the late 1990s. ERS estimates that imports' share of the total quantity of food consumed domestically rose from an average of 7.5 percent for 1979-94 and 7.4 percent for 1995 to 9.1 percent for 1998 and 1999. A strong U.S. economy, lower import prices, and U.S. participation in trade agreements, among other factors, contributed to the increase in imports in the last half of the 1990s. High-value products, such as seafood, red meat, cheese, fruits and juices, vegetables, beer, and wine, were among the fastest-growing U.S. imports and each increased significantly since 1995. Judy Putnam; (202) 694-5462; jjputnam@ers.usda.gov

Also Inside

Agricultural Outlook looks at

- U.S. farm policy and world trade commitments
- public and private sector plant breeding
- downsizing in the tobacco industry

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The Soybean Processing Decision explores the incentive to process soybeans and a way to explore the measurement of processing margins. 6

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The ERS Mission

The mission of the U.S. Department of Agriculture's Economic Research Service (ERS) is to provide public and private decisionmakers with economic and related social science information and analysis that helps them achieve five key goals:

- a globally competitive agricultural production system
- a safe and secure food production system
- a healthy and well-nourished public
- harmony between agriculture and the environment
- enhanced economic opportunity and quality of life for rural Americans

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Aligning U.S. Farm Policy with World Trade Commitments

The U.S. and other countries made commitments in 1994 under the Uruguay Round Agreement on Agriculture (URAA) to reduce the total amount of trade-distorting domestic subsidies provided to producers, to reduce export subsidies, and to increase import access to domestic markets. Thus far, the United States has been able to comply with its URAA commitments and still provide significant income support to producers. But surges in direct payments to producers after 1997 in response to low market prices have caused domestic subsidy levels to approach the U.S. ceiling commitment. U.S. support is expected to remain below its ceiling under current farm programs, but increases in support under new programs, if not carefully crafted to utilize exemptions, could present a problem for compliance with the URAA commitments. *Frederick J. Nelson; (202) 694-5326;*

fjnelson@ers.usda.gov

Public-Sector Plant Breeding In a Privatizing World

Since 1970, the balance between public and private plant breeding activity in industrialized countries has shifted from the public to the private sector. Traditionally, the private sector has relied on public-sector research results. Today this is no longer the case. Presently the public sector instead may utilize private-sector research results in some areas of biotechnology. Funding mechanisms, as well as institutional cooperation and competition in plant breeding, are often quite complex. This has led to considerable discussion of the appropriate roles for public- and private-sector activity. However, it is clear that public-sector plant breeding will yield the largest social returns if it continues to focus on research directed at carefully identified problem areas, with clear public goods components. *Paul W. Heisey; (202) 694-5526; Pheisey@ers.usda.gov*

U.S. Recession, Slow World Growth Leave Mixed Picture for Farm & Rural Economy

By November 2001 it was official. The U.S. economy was in recession—and had been since March. The recession ended a decade-long expansion, the most durable on record. World economic growth—both in 2001 and 2002—is expected to be sluggish, posting the lowest back-to-back growth rates since the world debt crisis of 1981-82. *David Torgerson; (202) 694-5334; dtorg@ers.usda.gov*

Traceability for Food Marketing & Safety: What's the Next Step?

Traceability systems are recordkeeping systems that are used primarily to help keep foods with different attributes separate from one another. When information about a particular attribute of a food product is systematically recorded from creation through marketing, traceability for that attribute is established. Food suppliers and government have several motives for documenting the flow of food and food products through production and distribution channels—and a number of reasons for differentiating types of foods by characteristics and source. However, the area where traceability seems to be getting the most attention lately—government-mandated tracking of genetically engineered crops and food—is not among the practical or efficient uses of traceability. Recently, the European Union (EU) proposed government-mandated traceability for genetically engineered crops and foods to help distinguish them from their conventional counterparts. *Elise Golan; (202) 694-5424; egolan@ers.usda.gov*

Pressures for Change in Eastern Europe's Livestock Sectors

Twelve years after the fall of Communism in Central and Eastern Europe (CEE), the meat and dairy processing sectors of the CEE countries are undergoing a rapid process of concentration and modernization. The process is most evident in Poland and Hungary, but similar trends can be observed in all the CEE countries. This restructuring has been accelerated by the pending CEE accession to the European Union (EU), both because of

pressure to meet EU sanitary standards and because of assistance provided by the EU to the food processing industry. *Nancy Cochrane; (202) 694-5143; cochrane@ers.usda.gov*

Tobacco Industry Downsizing, Restructuring

A recent dramatic shift from auctioning to contract selling in the tobacco market is changing the character of the industry. By contracting directly with leaf producers, cigarette manufacturers have more influence over which qualities of leaf are available. In addition, already-existing restrictions on smoking areas and advertising and the growing consciousness of the health risks of smoking are having a long-term effect on the industry. *Thomas Capehart; (202) 694-5311; thomasc@ers.usda.gov*

U.S. Sheep Industry Continues to Consolidate

The U.S. sheep industry continues a long decline marked by shrinkage in inventories, prices, and revenues. The industry also bears the brunt of heightened concerns about sheep-borne animal diseases, as well as recent removal of a tariff-rate quota (TRQ) on imported lamb meat from Australia and New Zealand. And while 5 years have passed since the 3-year phase-out of the National Wool Act, the industry still feels the loss of the Act's price support programs. However, there are several positive currents: domestic lamb and mutton consumption has held fairly steady for the past decade, while production in major lamb exporting countries is on the decline. *Keithly Jones; (202) 694-5172; kjones@ers.usda.gov*

www.ers.usda.gov/publications/RuralAmerica/ra163/

Reforming Welfare: Implications for Rural America

The Personal Responsibility and Work Opportunity Reconciliation Act dramatically altered the social safety net for poor Americans, and raised concerns over the 7.5 million people living in poverty in nonmetro areas. So far, welfare reform has reduced caseloads, increased employment, and lessened poverty. While the impact of welfare reform does not appear to differ greatly between rural and urban areas at the national level, many studies of individual State welfare programs report smaller welfare reform impacts on employment and earnings in rural areas than in urban areas. These smaller effects are due largely to the demographic characteristics of recipients and to the poorer job opportunities and lack of critical work supports in rural areas. *Leslie Whitener; (202) 694-5444; whitener@ers.usda.gov*

Nonmetro Labor Markets in the Era of Welfare Reform

Despite the economic prosperity of the last decade, nonmetro job growth, earnings, and wage progression seem destined to remain a step behind labor market outcomes in metro areas, often hindering efforts under welfare reform to move recipients into successful employment. The challenge is sometimes more difficult than an overall assessment of nonmetro areas would suggest. First, the demographic subgroups most in need of public assistance tend to have less education and lower earnings, and to experience higher unemployment, than average. Second, welfare recipients tend to be concentrated in nonmetro areas marked by chronic economic distress, which both contributes to, and reinforces, the need for public assistance. *Robert Gibbs; (202) 694-5423; rgibbs@ers.usda.gov*

Welfare Reforms and Employment of Single Mothers: Are Rural Areas Keeping Pace?

Changes in social policies in the mid-1990s increased the penalties for not working and raised the rewards for work-

ing. These policies played a major role in stimulating employment among single mothers and the gains were approximately as high in nonmetro areas as in metro areas. *Robert Lerman; (202) 261-5709; blerman@ui.urban.org*

Poverty and Welfare Among Rural Female-Headed Families: Before and After PRWORA

Rural poverty among female-headed families has declined since the new welfare bill was passed in 1996. Moreover, the income of female-headed families has increased, while income from earnings has more than offset declines in public assistance income. Rural single mothers nevertheless continue to experience higher rates of poverty than their urban counterparts, and a higher percentage are working but are still poor. *Daniel Lichter; (614) 688-3476; lichters.5@osu.edu*

Is There A Rural Disadvantage in Reducing Welfare and Food Stamp Participation in Mississippi and South Carolina?

Rural areas in Mississippi and South Carolina have had more difficulty than urban areas in reducing both cash assistance and food stamp program participation. These rural disadvantages might be overcome by improvements in rural transit to link rural residents to urban jobs and by increased child care and job training in rural counties. *Mark Henry; (864) 656-3374; mhenry@clemson.edu*

The Number of Hired Farmworkers Increased in 2000 and Most Now Come From Minority Groups

After decreasing between 1996 and 1998, the number of hired farmworkers increased between 1999 and 2000. Weekly earnings decreased in 2000 and hired farmworkers remained one of the occupations with the lowest earnings and family incomes. In 2000 members of minority groups accounted for more than 50 percent of the hired farm work force for the first time. *Jack Runyan; (202) 694-5438; jrunyan@ers.usda.gov*

Funding Is Less in Rural Than in Urban Areas, but Varies by Region and Type of County

Rural (nonmetro) areas received \$5,306, per capita, in Federal receipts in fiscal year 1999. This was about \$300 less than in urban (metro) areas, representing a 5.6-percent gap. Most of the nonmetro funding gap is explained by significantly lower nonmetro receipts from defense and space programs and from programs corresponding to national functions such as criminal justice, law enforcement, and research. However, nonmetro areas also received significantly less Federal funding from community resource programs, which include housing, infrastructure, and business assistance programs that are viewed as important for stimulating rural development. Nonmetro funding was higher in totally rural areas than in other rural areas, and highest in farming-dependent areas (\$6,688). This reflects the unusually high level of farm payments in recent years. *Richard Reeder; (202) 694-5360; rreeder@ers.usda.gov*

Child Poverty Was Lower at End of 1990s

Child poverty in 1999 remained high, with 11.5 million children under age 18 classified as poor, representing 37 percent of the poverty population. The child poverty rate (16 percent) exceeded the 12 percent rate for the general population. Poverty rates for children in rural areas have historically been higher than rates for children in urban areas; 20 percent of nonmetro children were poor in 1999 compared with 16 percent of metro children. *Carolyn Rogers; (202) 694-5436; crogers@ers.usda.gov*

China: Agriculture in Transition

www.ers.usda.gov/publications/wrs012/

Hsin-Hui Hsu; (202) 694-5224; hhsu@ers.usda.gov

USDA estimates that China's production of wheat, corn, and rice fell by a combined 44 million tons in 2000/01, a decrease of 11.5 percent from 1999/00. Area sown to grain fell again in 2001 as many farmers devoted more land to cotton and other cash crops. Wheat and corn imports continued at minimal levels in 2000 despite double-digit decreases in production for both of these crops. In late October 2001, China still had no intent to import grain although there were signs of tighter grain supplies. Corn exports, helped by subsidies that will be discontinued after China's accession to the World Trade Organization (WTO), continued at a steady pace in 2001, with 3.6 million tons exported in the first 7 months. This amount followed near-record corn exports of almost 10 million tons during 1999/00, a year when domestic production dropped due to low prices and drought.

Meanwhile, China's demand for soybeans to feed its emerging livestock and edible oils industries continued to grow. Soybean imports are expected to top a record 13.2 million tons in 2000/01. China's procurement prices heavily favor production of corn rather than soybeans, a factor contributing to large soybean imports. Soybean imports were roughly equal to corn exports in recent years. The 13-percent value-added tax on soybean imports favors imports of soybeans over soybean meal.

China's agricultural sector is still feeling the effects of record grain harvests in 1998 and 1999 that filled storage facilities beyond capacity and put downward pressure on prices. Grain reserves remain large despite relatively low grain production in 2000 and low levels of imports, except for soybeans. In May 2001, USDA revised its estimate of China's grain stocks, an adjustment that increased estimates of world grain stocks by 164 million tons. An article in this report examines China's grain reserve policies and explains how USDA produced the new estimates. China's Ministry of Agriculture calls the revised estimates "close to reality."

The grain produced in China is often poor in quality. Bakers and millers are increasingly demanding high-quality wheat for breads and baked goods. The government is starting to move away from past policies that sought to increase quantity of grain produced without regard to quality. Protection, or support, prices for certain types of low-quality wheat and rice have been discontinued. Premium prices are offered for high-quality grains. New grading standards have been introduced for wheat and rice, but many farmers and merchants are still unsure of what constitutes "quality" grain.

The country's large grain stocks are being drawn down. Imports of wheat may bounce back and subsidized exports of corn and cotton will end following China's accession to the WTO. Dry weather in important growing regions of northern China during spring 2001 may have tightened grain supplies further, with an estimated decrease of 5 million tons each for wheat and corn in 2001/02. Surging textile and apparel exports during 2000 boosted demand for cotton and encouraged farmers to increase cotton acreage in 2001. The newly established China National Cotton Exchange has sold 2.5 million tons of state-reserve cotton to domestic mills since December 1999 to curtail rising prices. China was again a net exporter of cotton in 2000, as imports registered low levels for the second consecutive year. Subsidized exports of cotton from Xinjiang province have continued in 2001, at a lower subsidy level, and imports should rise as domestic supplies tighten. Farmers have readily adopted genetically modified pest-resistant cotton, the only major genetically modified crop currently grown in China.

The livestock sector is expected to play a key role in reshaping China's agriculture in the coming years. The expanding scale of the sector and the shift from backyard to modern feeding operations will expand the demand for feed ingredients, including grains and protein meals. Measures of comparative advantage indicate that China's livestock sectors are internationally competitive, while the grain sector's

competitiveness has eroded. But sanitary issues will continue to be a barrier to exports in the near future.

China's economy is still one of the fastest growing economies in the world, with a reported 8-percent gross domestic product growth in 2000. A surge of foreign investment and continued government spending stimulated the country's economy during the first half of 2001. In the long term, greater openness to trade and social reforms will boost economic growth, stimulating demand for food and fiber. However, this optimism is tempered by stagnant agricultural incomes in recent years and the growing gap between China's booming coastal regions and poor interior provinces.

China's rural economy must redeploy its agricultural inputs as the sector modernizes and reshapes itself to face global competition. While much progress has been made, rural institutions and policies continue to impede the free flow of land, labor, and capital. Household registration and land tenure systems tend to exacerbate the surplus of labor in agriculture. Lack of land ownership and poor access to credit discourage soil conservation and other investments that have long-term productivity payoffs.

China's long-awaited WTO accession is expected in late 2001 or early 2002. This report includes a summary of the agricultural provisions of the 1999 U.S.-China bilateral agreement that serves as the foundation of China's terms of accession to WTO. Tariff-rate quotas will be established for major bulk commodities, and private trading enterprises will be allowed to participate in trade activities.

Major impacts on agricultural production, policy, and trade in China are expected after the country's accession to the WTO. Imports of wheat, cotton, soybeans, edible oils, and soybean meal are likely to rise, as will China's rice exports. China's consumers would enjoy lower food grain prices. Corn exports from northeastern China will continue, but imports will increase in corn-deficit southern provinces.

FoodReview

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U.S. Food Companies Access Foreign Markets Through Investment

U.S. foreign direct investment (FDI) in foreign food processing companies grew from \$9 billion in 1980 to \$36 billion in 2000. Foreign food processing affiliates of U.S. companies generated \$150 billion in sales in 2000, compared with \$30 billion generated by U.S. processed food exports. The United Kingdom, Mexico, and Canada had the most sales from U.S. FDI in 2000. Following a high of \$8 billion in 1996, foreign food company FDI in the U.S. processed food industry decreased to \$1.5 billion in 2000. The largest foreign investments in U.S. companies were in grain and oilseed milling, dairy products, bakeries, tortilla-making plants, and beverages. *Christine Bolling; (202) 694-5212; hbbolling@ers.usda.gov*

U.S. Exports Face High Tariffs in Some Key Markets

From 1996 to 2000, U.S. food and agri-

cultural exports averaged about \$60.6 billion per year. Tariffs imposed on U.S. food and agricultural exports in foreign markets had a dampening effect on the volume and value of this trade. Measuring the trade-distorting effects of tariffs is complicated, as it is a function of numerous factors, including the manner in which producers and consumers respond to changes in relative prices. This article identifies major markets in which U.S. agricultural exports face high tariffs and takes various approaches to computing the average tariff faced by U.S. agricultural exports in these markets. *John Wainio; (202) 694-5272; jwainio@ers.usda.gov*

Food Supply Nutrients and Dietary Guidance, 1970-99

In 1999, the available U.S. food supply contained more grain products, fruit, vegetables, and legumes, nuts, and soy products per capita than in 1970. Likewise, per capita amounts of most nutrients in the U.S. food supply increased during 1970-99. In 1999, the food supply provided 111 more grams of carbohydrates per capita per day than in 1970, although sugars and sweeteners provided almost 40 percent of

the total amount. Per capita per day amounts of fiber increased 26 percent, protein increased 16 percent, and total fat increased 8 percent (although use of saturated fats decreased). In the same period, the food supply provided increased levels of iron, calcium, antioxidant vitamins, and B-vitamins (except B12). *Shirley Gerrior; (703) 305-2563; shirley.gerrior@cnpp.usda.gov*

Food Marketing Costs at a Glance

In 2000, U.S. consumers spent \$661.1 billion on food, excluding imports and seafood. Estimated marketing costs for domestic farm goods in 2000 totaled \$537.8 billion, or 81 percent of consumer expenditures. From 1990 to 2000, consumer expenditures for farm goods rose \$211.3 billion. In the same period, marketing costs rose 57 percent and accounted for most of the 47-percent rise in consumer spending. Labor used by manufacturers, wholesalers, retailers, and eating places totaled \$253 billion in 2000 and accounted for nearly 40 percent of total consumer food expenditures. *Howard Elitzak; (202) 694-5375; helitzak@ers.usda.gov*

The Soybean Processing Decision Exercising a Real Option on Processing Margins

www.ers.usda.gov/publications/tb1897/

Gerald Plato; (202) 694-5604; gplato@ers.usda.gov

The gross soybean processing margin (the gross return per bushel of soybeans processed) is the main decision variable that processors use in deciding when and if to make binding commitments to process soybeans on future dates. Understanding how processors choose processing margins for future processing dates from among those available on successive days may help to resolve the ongoing concern about the level of competitiveness in processing agricultural commodities. Processing returns are treated as being equivalent to the returns to a call option. This approach provides the opportunity to simulate processor choice of processing margin by evaluating the incentive of waiting for a larger processing margin versus the incentive of locking in

the currently available processing margin for a future date. The approach captures the irreversibility of the decision to process soybeans. Once the decision is made to process soybeans it cannot be economically reversed because of the contractual penalties involved. Processing margins selected using evaluations of these incentives explained variation in soybean crush, whereas spot margins for the corresponding processing dates did not.

Soybean processors in effect have a real call option on their processing resources. They can receive returns equal to the GPM by paying variable processing cost, their exercise price, or they can choose not to produce and wait for a larger GPM.

The procedures developed in this bulletin may be helpful in understanding the meat processor (packer) behavior involved in

selecting forward prices for purchasing cattle, hogs, and sheep from farmers reported under the Mandatory Livestock Reporting Act of 1999. Forward selling prices available on the dates of the reported forward purchase prices can be used along with the reported purchase prices to estimate forward GPMs. These estimated GPMs then could be examined using the procedures developed here.

Agriculture in Brazil and Argentina: Developments and Prospects for Major Field Crops

www.ers.usda.gov/publications/wrs013/

Randall D. Schnepf; (202) 694-5293;
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The United States has been the world's leading exporter of corn, soybeans, and wheat for the past 40 years, but Argentina and Brazil have made great inroads in recent years. Since 1990, Argentina and Brazil have sharply increased agricultural output and have gained global market share for several major commodities, particularly soybeans, often at the expense of the United States.

- Since 1990, soybean production has more than doubled in Argentina and Brazil. Argentina's wheat and corn production is up 75 and 105 percent, and Brazil's corn production has increased by 40 percent.
- Soybean production in Argentina and Brazil has expanded faster than domestic use, contributing to rising exports and growth in global market share.

The dramatic growth in production and trade has caused policymakers and market participants to consider its origins, sustainability, and potential for future expansion. Increased South American supplies have no doubt contributed to the low international commodity prices of recent years, which have squeezed market returns to U.S. producers and prompted large government payments. South American field crop output will clearly have an ongoing influence on U.S. farm exports, prices, incomes, budgetary outlays, and program options.

This report presents research by the Economic Research Service (ERS) on the factors underlying the recent surge in agricultural production in Argentina and Brazil, and evaluates the prospects for future area and yield growth. Among its findings:

- Economic and political reforms undertaken by Argentina and Brazil during the early and mid-1990s underpinned their surge in agricultural output.
- The economic and policy reforms and improved transportation and marketing infrastructures in Argentina and Brazil have lowered production and marketing

costs and enhanced transmission of international market signals.

- Strong international commodity prices of the mid-1990s provided a powerful incentive to invest in agriculture and expand production.
- Improved crop varieties and cultural practices suitable to the soils and tropical conditions of central Brazil helped large-scale mechanized agriculture expand into Brazil's vast, undeveloped interior regions.
- With their abundant land and good climate, Argentina and Brazil are naturally low-cost producers of soybeans and other crops.

ERS research into potential growth of Argentina's and Brazil's agricultural production suggests:

- Brazil, and to a lesser extent Argentina, still enjoys tremendous potential to expand area devoted to agricultural production.
- In Brazil, infrastructure development will remain critical to the pace at which land resources are brought into productive use.
- The evolution of livestock-field crop tradeoffs is likely to drive developments in Argentina's agricultural sector.
- Argentina and Brazil have significant potential to increase yields for several field crops, particularly corn.
- Brazil is projected to be the world's leading importer of wheat, starting in 2000/01 at 7.2 million tons and extending throughout USDA's baseline projection to 2010.
- An estimated 20 percent of Argentina's 2001 corn crop and 90 percent of its soybean crop were planted to biotech varieties, as producers have sought to capture the significant cost savings associated with biotech crops.
- In Brazil, the Government currently prohibits commercial planting of genetically modified crops.
- Argentina and Brazil face several potential bottlenecks to growth.

ERSnippets

• **USDA's 78th Agricultural Outlook Forum** will be held on February 21-22, 2002, at the Crystal Gateway Marriott Hotel. The forum topics include farm policy principles and proposals, globalization of food safety, and strategies for rural community prosperity.

For more details on the program or registration, visit www.usda.gov/oce.

• **Farm Economy Outlook January 2002--** This new multimedia briefing on ERS' Website highlights important facts in our latest farm income forecast. Visit the site at www.ers.usda.gov/multimedia/farmeconomyjan02/.

• A new Website addition, **State Total Factor Productivity in Agriculture**, at www.ers.usda.gov/data/stateproductivity, provides estimates of the growth and relative levels of productivity for the 48 contiguous States for 1960-96.

• A new Website addition, **Farm and Farm-related Employment**, at www.ers.usda.gov/Data/FarmandRelatedEmployment, contains estimates of farm and farm-related employment by State, farm production region, and farm resource region. The estimates provide valuable information about the importance of agriculture in various geographic areas of the country.

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Also Off Press

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www.ers.usda.gov/publications/outlookreports.htm

In addition to the reports fully summarized in this issue of *ERS Information*, the following reports were recently released.

Livestock, Dairy, and Poultry Situation and Outlook (12/27)

Milk production finally made it back to year-earlier levels in November after 12 months of declines. The relatively high milk prices and low concentrate feed prices normally would have been conducive to growth in milk production.

U.S. Agricultural Trade Update* (12/27)

U.S. agricultural exports from January to October 2001 increased by \$1.8 billion over the same period in 2000 as high-value sales gained by \$1.7 billion. Since imports were up only \$338 million from last year, the U.S. farm trade surplus through October was up by a cumulative \$1.5 billion.

Vegetables and Melons Outlook* (12/14)

Reduced acreage (due to low prices) and drought (in Michigan and New York) have produced the smallest U.S. dry edible bean crop since 1988. Given the resulting higher prices, growers will likely increase acreage 25 to 30 percent in 2002.

Wheat Outlook (12/13)

The latest United States Department of Agriculture (USDA) cotton forecast for 2001/02 signals a decline in ending

stocks from last month due largely to a boost in the U.S. export forecast. U.S. cotton exports were raised 4 percent this month to 9.8 million bales, the highest since 1926/27.

Feed Outlook (12/13)

There were no changes made this month to the supply or demand forecasts for any of the feed grains. Feed grain production is down from last year because of smaller corn, barley, and oats crops. Corn production is expected to total more than 9.5 billion bushels, 4 percent lower than last year's crop.

Rice Outlook (12/12)

There were no revisions this month to the 2001/02 U.S. supply and use projections. Monthly cash prices have dropped each month since the start of the 2001/02 market year. Despite a 9-percent increase in total U.S. rice supplies and expectations of the lowest season-average farm price in 15 years, total use is projected to increase just 3 percent in 2001/02.

Oil Crops Outlook (12/12)

U.S. export commitments for soybeans in 2001/02 have increased rapidly in the last month. While the pace of export shipments began the marketing year slowly, it has since accelerated and climbed slightly ahead of last year.

Cotton and Wool Outlook (12/12)

The latest United States Department of Agriculture (USDA) cotton forecast for 2001/02 signals a decline in ending stocks from last month due largely to a boost in the U.S. export forecast. U.S. cotton exports were raised 4 percent this month to 9.8 million bales, the highest since 1926/27.

The New Agricultural Trade Negotiations: Background and Issues for the U.S. Beef Sector (12/7)

New negotiations on trade in agriculture were recently initiated by the World Trade Organization. The negotiations focus on extending the gains to world trade achieved in the 1994 Uruguay Round Agreement on Agriculture (URAA), which limited the use of tariffs and non-tariff barriers, export subsidies, and the type and level of spending for domestic support programs.

* Available in both electronic and paper copies. All others available electronically only.